



SAN RAFAEL CITY COUNCIL AGENDA REPORT

Department: Economic Development

**Prepared by: Danielle O'Leary
Economic Development Director**

City Manager Approval: _____

A handwritten signature in black ink, appearing to be the initials 'AS' or similar, written over a horizontal line.

TOPIC: DOWNTOWN BUSINESS IMPROVEMENT DISTRICT (BID) BUSINESS ASSESSMENT ANNUAL RENEWAL

SUBJECT: RESOLUTION DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT

RECOMMENDATION:

Accept report and adopt resolution declaring the City Council's intention to levy an annual assessment for the Downtown San Rafael Business Improvement District.

BACKGROUND:

Section 36500 of the California Streets and Highways Code allows for the creation of a business improvement district (BID) within a municipality, whereby businesses within the district self-assess an annual fee in order to pay for improvements and activities which benefit the overall business district. The intent of the state law is to provide a funding mechanism for business districts to promote economic vitality.

In 1979, businesses in Downtown San Rafael set up a business district. This original district included approximately 125 businesses along Fourth Street between Lincoln Avenue and E Street. In 2013, the City Council voted to replace it with a larger district of approximately 700 businesses along Fourth Street. The expanded district includes the West End and some side streets, as well as non-ground floor tenants and other tenants not included in the original BID.

For 2021, the [BID Board of Directors](#) focused on supporting downtown businesses during the COVID-19 pandemic. The BID Board has been actively promoting Downtown through social media, the BID website, marketing campaigns, email blasts, and acting as a conduit for sharing critical reopening information from Marin Recovers and the State.

However, the largest and most consequential event for the BID Board in 2021, has been producing the 'Dining Under the Lights' (DUTL) outdoor dining event. DUTL was held Thursday and Friday evenings starting in March and continued through the end of October 2021. The BID worked with dozens of restaurants to make DUTL a signature event, with the intent of providing a lifeline to businesses impacted

FOR CITY CLERK ONLY

Council Meeting:

Disposition:

by the pandemic. The BID Board also updated their bylaws, recruited new board members, created an online searchable business directory, supported beautification programs including extending the Tivoli lighting throughout Fourth Street, and also created new downtown pole-mounted banners to enhance the downtown experience.

ANALYSIS

BID Renewal Process

Per State law, to renew the annual assessment, the City Council must first adopt a Resolution of Intention to Levy an Annual Assessment and set a public hearing for a future date. In accordance with State law, the annual renewal process for the BID assessment will take place at two City Council meetings as follows:

Meeting #1 – November 15, 2021

Resolution of Intention to Levy an Annual Assessment: This meeting is intended to notify the public of the process. The only action required is to accept the BID annual report, which reviews past BID Board accomplishments and adopt the resolution of intention to levy an annual assessment. These actions do not commit the City Council to any ultimate decision other than initiating the annual renewal process.

Meeting #2 – December 6, 2021

Public Hearing on Annual Assessment: This is the meeting to receive additional input from the public on the annual BID assessment and to confirm the levy of an assessment for the upcoming year 2022.

COMMUNITY OUTREACH:

The BID will notify its members of the annual renewal process through its member communications, including the BID e-newsletter, notifications on the BID website, and through agenda items at the monthly BID Board meeting.

FISCAL IMPACT:

There is no fiscal impact associated with this action. The assessment collected by the City of San Rafael on behalf of the BID is passed to the BID upon receipt.

OPTIONS:

The City Council has the following options to consider on this matter:

- 1) Accept report and adopt the resolution as presented.
- 2) Accept report and adopt the resolution with modifications.
- 3) Decline to accept the report and decline to adopt the resolution.

RECOMMENDED ACTION:

Accept report and adopt a resolution declaring City Council's intention to levy an annual assessment for the Downtown San Rafael Business Improvement District.

ATTACHMENTS:

1. Resolution
2. BID 2021 Annual Report, including:
 - A. Exhibit A: BID Map
 - B. Exhibit B: BID 2021 Assessment Formula
 - C. Exhibit C: BID Budget
 - D. Exhibit D: Memo – BID Financial Summary

RESOLUTION NO.

RESOLUTION OF THE SAN RAFAEL CITY COUNCIL DECLARING THE CITY COUNCIL'S INTENTION TO LEVY AN ANNUAL ASSESSMENT FOR THE DOWNTOWN SAN RAFAEL BUSINESS IMPROVEMENT DISTRICT

WHEREAS, California Streets and Highways Code Sections 36500 et seq. authorizes cities to establish parking and business improvement areas for the purpose of promoting economic revitalization and physical maintenance of business districts, in order to create jobs, attract new businesses and prevent erosion of business districts; and

WHEREAS, the Downtown San Rafael Business Improvement District ("BID") was established in 2013 to amend the existing Parking and Business Improvements District instituted in 1979 in the commercial area on and around the Fourth Street corridor in San Rafael; and

WHEREAS, pursuant to San Rafael Municipal Code Chapter 10.09 and California Streets and Highways Code Section 36533, the Advisory Board of the BID shall prepare an annual report for each calendar year in which assessments are to be levied which the City Council shall review; and

WHEREAS, the BID Advisory Board has prepared and filed with the City Clerk its "BID 2021 Annual Report" and the City Council has reviewed and approved the report;

NOW THEREFORE BE IT RESOLVED by the City Council of the City of San Rafael as follows:

1. The City Council intends to levy and collect an annual benefit assessment for calendar year 2022 on businesses in the Downtown San Rafael Business Improvement District to pay for selected improvements and activities of the BID.
2. The boundaries of the entire area to be included in the BID, and the boundaries of each separate benefit zone within the BID, are set forth in Exhibit A to the BID 2021 Annual Report on file with the City Clerk.
3. The types of improvements and activities proposed to be funded by the levy of assessments on business in the BID are set forth in Exhibit B to the BID 2021 Annual Report on file with the City Clerk.
4. The method and the basis for levying the benefit assessment on businesses within the BID are set forth in San Rafael Municipal Code Section 10.09.050.
5. All funds of the BID shall be expended on improvements and activities within the BID.

6. New businesses shall not be exempt from payment of the fee.

7. A public hearing to consider the levy of the BID assessment shall be held virtually before the City Council on December 6, 2021 at 7 p.m. in the Council Chambers, 1400 Fifth Avenue, San Rafael, California. At the public hearing the testimony of all interested persons, for or against the levy of the BID assessment or on any of the matters included in the assessment, will be heard and all protests collected.

8. A protest against the assessment of the BID, or any aspect of the assessment may be made in writing or orally at the public hearing. To be counted as a part of a majority protest against the assessment of the BID, a protest must be in writing and from a business in the BID. A written protest may be withdrawn from the record at any time before the conclusion of the public hearing. Each written protest shall contain a written description of the business in which the person signing the protest is interested, sufficient to identify the business, and its address. If the person signing the protest is not shown on the official records of the City of San Rafael as the owner of the business, then the protest shall contain or be accompanied by written evidence that the person is the owner of the business. Any written protest of the regularity of the proceedings shall be in writing and clearly state the irregularity or defect to which objection is made.

9. If at the conclusion of the public hearing on December 6, 2021 there is a record of written protests by business owners within the BID who will pay fifty percent (50%) or more of the total assessments of the entire BID, no further proceedings to amend the BID shall occur. New proceedings to amend the BID shall not be undertaken again for a period of at least one year from the date of the finding of the majority written protest by the City Council. If the majority written protest is against a specific activity, inclusion of a specific area or type of business, or a specific assessment amount, adjustments may be made to the amendment proposal.

10. Further information regarding the Downtown San Rafael Business Improvement District may be obtained from the Office of Economic Development at 1400 Fifth Avenue, San Rafael, CA 94901.

11. The City Clerk is directed to give notice of said public hearing by publishing the notice once in a newspaper of general circulation in the City of San Rafael, at least seven days before the hearing; and by mailing a complete copy of this Resolution of Intention to those interested parties who have filed a written request with the local agency for mailed notice of public meetings or hearings on new or increased general taxes.

I, LINDSAY LARA, Clerk of the City of San Rafael, hereby certify that the foregoing Resolution was duly and regularly introduced and adopted at a regular meeting of the City Council of the City of San Rafael, held on Monday, the 15th day of November 2021, by the following vote, to wit:

AYES: COUNCILMEMBERS:

NOES: COUNCILMEMBERS:

ABSENT: COUNCILMEMBERS:

Lindsay Lara, City Clerk



BUSINESS IMPROVEMENT DISTRICT

ANNUAL REPORT 2021

BID Board of Directors 2022

Interim President - Jed Greene
Five Corners Group

Vice President – Adam Dawson
Mike’s Bikes

Secretary – Tobi Lessem
Bodywise Massage

Treasurer – TBD

Event Chair – Jaime Ortiz
Bank of Marin

Social Media Chair – Erika Bowker
Pleasures of the Heart

Directors

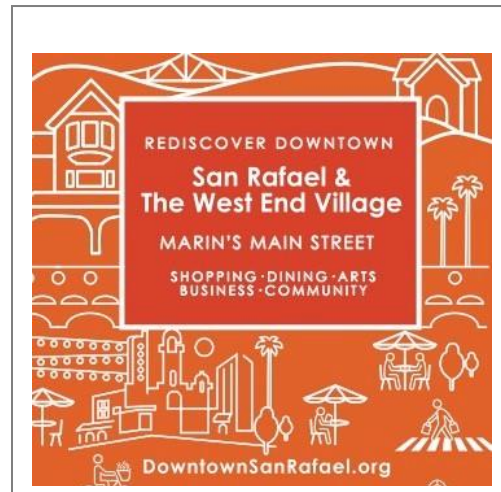
Jeff Brusati – T & B Sports

Morgan Schaufler – Youth in Arts

Elisabeth Setten – Art Works Downtown

Terrance Thornton --
San Rafael Martial Arts

Bishlam & Amy Bullock – new
Salon B Style Lab



President’s Message

Dear Fellow BID Members,

This year, the BID Board again supported San Rafael’s unique Downtown businesses. Just like 2020, it wasn’t a year of business as usual, but we all helped create many positive outcomes.

The Board focused on keeping our Downtown business owners informed. We continued the popular Dining Under The Lights program and we constantly worked on promoting our Downtown through social media, our website and marketing campaigns. Our goal was to keep our community and members safe while giving everyone a fun destination to enjoy while Supporting Local.

It’s been my pleasure to serve as Board President. I will continue to work as the Board’s event chair. A big thank you to Executive Director Eda Lochte who is also stepping down after years of service to our members and community.

Please visit DowntownSanRafael.org to see all the BID is doing, to update your directory listing and continue to be involved.

Jaime Ortiz, President 2016, 2017, 2018, 2019 & 2021

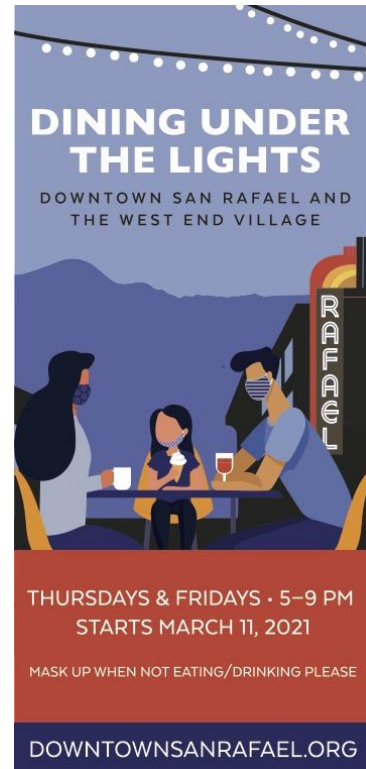
2021 ACCOMPLISHMENTS

- **Banners** – designed, created and installed colorful vertical pole banners welcoming all and highlighting Business, Arts, Dining, Shopping, and the West End Village.
- **Member emails, newsletters, and updates** – continuously updated members on Covid-19 and other information. Explained details and provided links to sources, including Marin Recovers, PPE and safety protocols, PPP loans, small business grants and classes, permits and more.
- **Hands-on help** - engaged with members by email, phone and in person amidst day-to-day changes of the pandemic and business requirements.
- **Bylaws** – amended, restated and approved outdated bylaws with pro bono legal advice from attorney Jeff Schoppert.
- **Building the Board** - recruited, nominated and voted in new Directors, creating a more inclusive and diverse group.
- **Parking** - worked with City Parking and Public Works depts. to continue 15-minute parking. Promoted free weekend parking and 3-hours free holiday parking in City garages, West End lot.
- **Website updates** – updated content for BID members and public visitors, highlighted Dining Under the Lights and other events. Built status box to notify partners and public of confirmed and canceled dates, music, and mobile vaccination clinics.
- **Created/maintained online searchable directory** - Downtown businesses can create and continuously update their listing (open, special hours, sales, etc.) Drove online audience traffic to directory through banners, ads and social media.
- **City partnerships** – worked with City government and departments including Economic Development, Public Works, Parking, Parks & Recreation and SRPD.
- **Collaborations** - Partnered with Downtown San Rafael Arts District (DSRAD), SR Chamber, CFI, Marin Multicultural Center, SBDC, County Dept. of Public Health and Human Services.
- **Outdoor dining areas** – coordinated between businesses and City to secure permits to create outdoor dining in parking spaces to support restaurants during Covid.
- **Beautification initiatives** – after spearheading West End pilot Tivoli overhead lighting project in 2019, acted with City Public Works to extend the lights east to the SMART station in time for kickoff of Dining Under the Lights.



- **Donations** – was a donor partner to nonprofit Marin Multicultural Center for Dia de los Muertos events and to CFI for Mill Valley Film Festival—both bring many Marin visitors to Downtown.
- **Dia de los Muertos window displays & car procession** – 14+ Downtown merchants presented window altars for Day of the Dead. Collaboration with Marin Multicultural Center, San Rafael Dia de los Muertos, City Rec Dept. and artists.

- **Downtown San Rafael Arts District collaboration** – appointment of creative place making specialist to explore funding opportunities for BID and DSRAD.
- **Online posts of art news** – DSRAD/BID cross promotional Instagram @artsanrafael, 698 followers +37%, Facebook 524 followers, +19% from 2020.
- **Social media director** – Board member Erika Bowker actively posts to 5,600 followers on Instagram and Facebook, multiplies effects by engaging with Downtown businesses’ social media and email campaigns. BID added 2,000+ followers this year.
- **Downtown and DUTL promotion** – marketed through posters, print ads and digital media: BID website, Facebook page, NextDoor, Instagram, *Marin IJ* and *Pac Sun*, as well as PR sites and articles. Strategic paid-ad boosts on Facebook. Coached merchants to feature Dining Under the Lights (DUTL) on their websites, newsletters and email lists to increase diners and shoppers Downtown.
- **Partnered with CFI (California Film Institute) and Mill Valley Film Festival** – sponsored VIP Lounge with help from the City's Economic Development Dept. The goal was promoting foot traffic to our BID District to support local small businesses.
- **Holiday window decorating contest** – award annual prizes to bring Downtown activity and festive fun.
- **Shop San Rafael Season** - print and digital ad campaigns for holiday season and free parking.



EVENTS

In 2021, we produced some new and some traditional events in reduced formats due to the pandemic:

- **Dining Under The Lights** (Th. & Fri., March through Oct.)
 - **33rd Annual May Madness** (pivoted to Sat. Cruise Night, held August 28)
 - **33rd Trick or Treat on Fourth Street** (Sat. Oct. 23)
 - **2nd Dine in Costume at DUTL** (Th. Oct. 28 & Fri. Oct. 29)
 - **Clean & Green Day** (Th. April 22, Earth Day – gave free litter grabbers to BID members)
 - **Shop San Rafael Season** (featuring print and digital ad campaigns)
 - **Windows & Holiday Cheer** - (Sat, Dec. 10, shopping/hospitality evening with window decorating contest and prizes)
-

Dining Under the Lights and Outdoor Dining Areas

In 2021, the BID and ED Eda Lochte resumed the popular Dining Under the Lights (DUTL) on-street dining program which was created early in the pandemic with substantial help from the City of SR.

We also advocated for and donated to the sparkling overhead lights to beautify our Downtown. Public Works installed the lights just in time to illuminate 4th Street dining. We also helped with permits and information/advocacy for semi-permanent outdoor dining parklets allowed through Nov. 2022. This gives participating food and drink businesses an opportunity to recoup their construction expenses.



DUTL initially gave the public an outlet to feel safely distanced and protected, enjoy a bit of normalcy and support their local small business owners. It became a fun Thursday/Friday countywide destination providing live music and community.

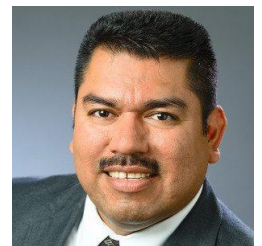
DUTL promotes Downtown by providing foot traffic for other businesses, expanding exposure to patrons of different demographics and giving our merchants a boost.

In addition to creating a vibrant European feel, outdoor seating also attracted a variety of diners. Families with bikes and dogs appreciate the freedom of casual outdoor dining. These improvements can stimulate higher revenues and brighter financial forecasts for our City and all Downtown businesses.

We hope to continue our successful DUTL in 2022 and beyond. Survey responses indicate most respondents love the program and wish to continue it every summer. We also plan to help guide the path to permanent outdoor seating opportunities.

Applause for Leaders of BID Success as They Step Down

The BID extends much appreciation to Jaime Ortiz from Bank of Marin. He has tirelessly steered the BID through some of its most challenging years and has generously devoted his time to our Downtown. After serving four one-year terms as Board president, Jaime is stepping away. But he's still contributing to the community by staying on the Board as event chair, a role he has already been fulfilling.



We also say goodbye and thank you to Eda Lochte, the executive director. She held the ED position for 10 years in the '90s and after retiring for a time, Eda was persuaded to retake the helm. Now, after four years of leading member communication and advocacy, and Board cooperation and growth, she is re-retiring.

Eda leaves several new programs in her wake. In fact, together, Jaime and Eda created a legacy Downtown—among them the twinkling overhead lights, the banners, the 15-minute parking-spaces, the outdoor dining parklets and the DUTL program.

The BID Organization and 2022 Work Plan

Our 2022 agenda again emphasizes ensuring the BID's organizational foundation is strong, fiscally responsible and able to promote Downtown to members and the community.

- **Communicate with members/community outreach** – continue engagement via website, email, newsletters, social media, marketing, advertising, in person
- **Beautification & Art** – work with the City advocating for making Downtown a clean, aesthetically pleasing and welcoming place
- **Add board members and volunteers** – continue to actively recruit committee members and engage prospective board members to build an inclusive environment for greater equity and diversity
- **Raise BID funding** – explore supplemental funding sources through business sponsorship of events, matching funds and more
- **Explore partnerships** – investigate deeper collaborative relationships with DSRAD and Chamber to expand BID's reach to create added visibility and excitement for Downtown
- **Partnership** – continue to align the BID with the Downtown San Rafael Cultural Arts District and the San Rafael 2040 Downtown Precise Plan
- **Executive Director search** – work to recruit BID director to strengthen Downtown's long-term success, see the [ED job description](#) for details
- **Collaborate with the City** – continue partnerships with City depts., SRPD and local groups
- **Resume Dining Under the Lights** – refine the program in partnership with the City to create an ongoing Summer outdoor dining program
- **Continue May Madness and other events** – host our legacy event and strategize best ROI opportunities for existing and possibly new events

Contact us or find current info and business directory at:

info@SRBID.org

Director@DowntownSanRafael.org

DowntownSanRafael.org

Our Mission

The Business Improvement District promotes the economic vitality of Downtown and the common interests of Downtown business owners. We help promote a district that's a welcoming place to shop, dine, work, live in and enjoy.

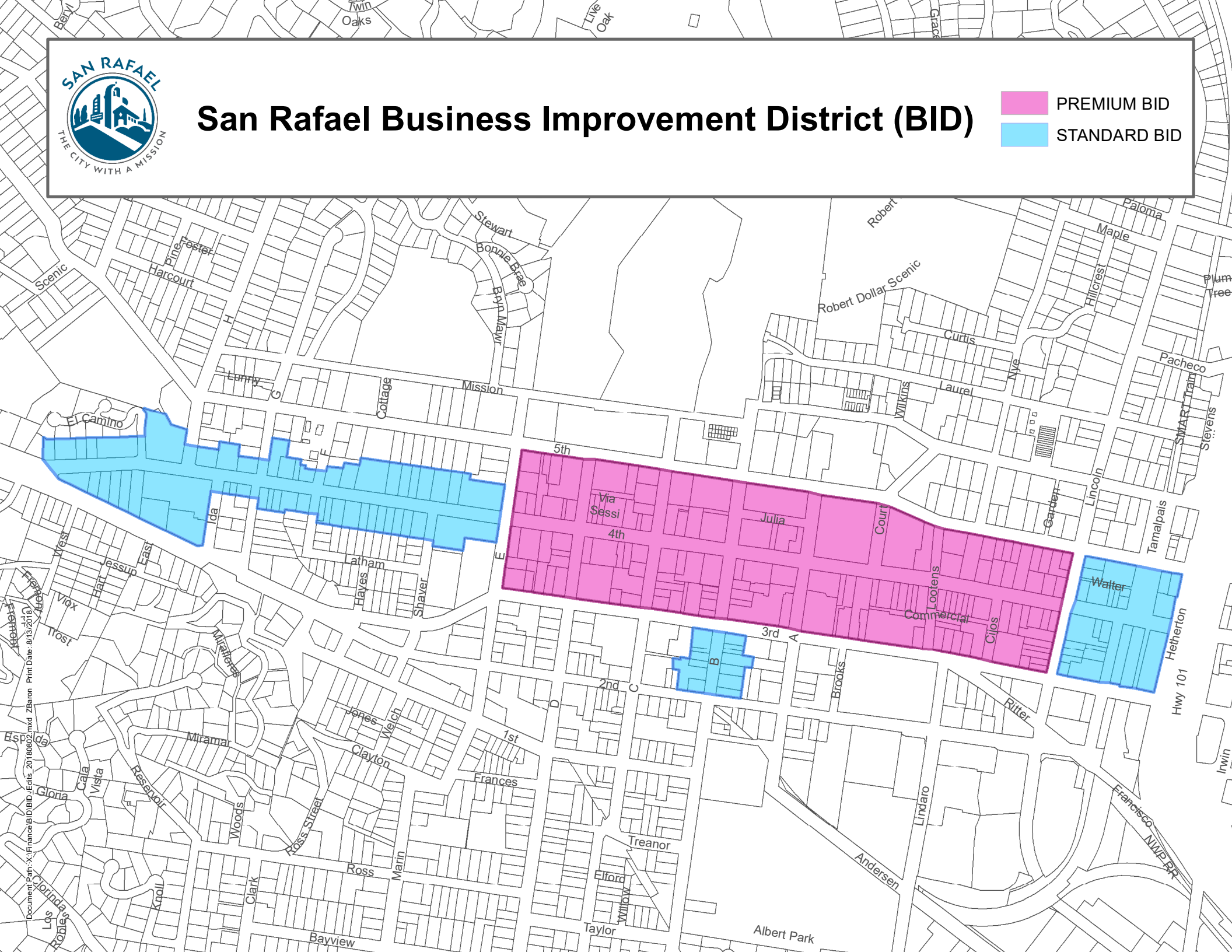
Our Vision

Downtown is the cultural heart and soul of our City, where activity, dining, entertainment and commerce blends with creative and entrepreneurial spirit. Downtown is where hometown pride and community thrive.



San Rafael Business Improvement District (BID)

- PREMIUM BID
- STANDARD BID



2021 BID Assessment Formula

Exhibit B

Type of Business	Standard	Premium
Retail on the Ground Floor, Restaurant, Personal Services on the Ground Floor	\$175	\$225
Retail on the Ground Floor, Restaurant, Personal Services on Ground Floor with Less than \$100,000 in Gross Receipts	\$150	\$175
Offices, Professional, Personal Services, not on Ground Floor, Retail not on Ground Floor	\$75	\$100
Personal Services Sole Practitioner	\$25	\$50
Non-Profit Organization and Fine Artists	\$50	\$50
Financial Institution	\$375	\$425

San Rafael Downtown BID Budget

Exhibit C

	2020 Year End Fund Balance	\$69,153	2021 Year End Fund Balance	\$74,184
Revenues	2021 Programs	Year 2021 Estimated Year End	2022 Programs	Year 2022 Proposed Budget
	BID Assessments	\$75,930	BID Assessments	\$75,000
	Corporate Sponsorship	\$4,000	Event Income (May Madness)	\$35,000
	Interest	\$5		
Total Operating Income		\$79,935		\$110,000
Expenses				
Events	Trick or Treat	(\$2,250)	May Madness	(\$20,000)
	Day of the Dead	(\$500)	<u>Other Events/Costs:</u>	(\$20,000)
	Shop Local	(\$550)	Trick or Treat	
	Event Staffing	(\$2,120)	Shop Local Saturday	
			West End Celebration	
			West End Events	
			Hops and Vines	
			Event Staffing	
Events subtotal		(\$5,420)		(\$40,000)
Initiatives	Dining Under the Lights (includes BID staff costs)	(\$32,500)	Dining Under the Lights (includes BID staff costs)	(\$28,000)
			Community Donations (from May Madness)	(\$5,000)
			Downtown SR Arts District (DSRAD)	(\$5,000)
			Beautification	(\$10,000)
Initiatives subtotal		(\$32,500)		(\$48,000)
Marketing & Promotions	Event Advertising/Marketing	(\$8,900)	Event Advertising/Marketing	(\$10,000)
	Website Maintenance	(\$1,450)	Website Maintenance	(\$2,000)
	BID Member Communication	(\$475)	BID Member Communication	(\$500)
	Social Media	(\$1,100)	Social Media	(\$1,500)
Marketing & Promotions Subtotal		(\$11,925)		(\$14,000)
Operating Expenses	Staffing	(\$16,500)	Staffing	(\$22,000)
	Insurance	(\$4,279)	Insurance	(\$4,300)
	Office Expense (supplies, communications, etc.)	(\$2,800)	Office Expense (supplies, communications, etc.)	(\$3,500)
	Professional Fees	(\$1,480)	Professional Fees	(\$1,700)
			Meeting and Travel Expense	(\$500)
Operating Expenses Subtotal		(\$25,059)		(\$32,000)
Total Expenses		(\$74,904)		(\$134,000)
Net Profit/(Loss)		\$5,031		(\$24,000)
Projected 2021 Ending Fund Balance/Carryover to 2022		\$74,184	2022 Ending Fund Balance	\$50,184

Memorandum

To: San Rafael City Council

From: Jed Greene, Treasurer
San Rafael Business Improvement District

Date: October 29, 2021

Re: San Rafael Business Improvement District Financial Summary

This memorandum highlights the significant 2021 financial activity of the San Rafael Business Improvement District (BID) and the 2022 proposed budget.

2021

COVID -19 continued to limit our ability to host local events. In 2021, the Dining Under the Lights initiative (DUTL) was our major focus and the BID committed a majority of its available resources to DUTL, including financial resources. The BID is projected to have a net income of approximately \$5,000 leaving a cash balance of \$74,184.

Proceeds from BID assessments were higher than budgeted but lower than last year, decreasing to \$75,930, approximately 14% lower than 2020. Once again, we provided a significant financial outlay (estimated to be \$32,000 by the end of the year, slightly lower than the amount we budgeted) for DUTL, a vital program for the local restaurant industry, as well as other Downtown businesses and the community as a whole.

2022

Although we are hopeful that life will return to normal in 2022, Covid-19 continues to cloud the future. We plan to be more active next year and, although we anticipate that our BID assessment revenue will not fully return to its normal levels, we have enough cash reserves to support our planned expenditures. A majority of our discretionary spending will be used to support the Dining Under the Lights initiative and our other marketing and events. The BID projects to have a net loss of \$24,000 in 2022, but our cash reserves give us the ability to continue to help local businesses and the community. Our anticipated cash balance at the end of 2022 is \$50,184.